Logistics Enterprise Integration Advisory Board

Funds Control

17 Nov 03

Background

15 Oct 02 –GOWG for Single Stock Fund program Milestone 3 Implementation Army-wide

- **A number of financial issues were identified:**
  - **Complicated Obligation process**
  - **Cumbersome Reconciliation process**
  - **Lack of robust Fund Control tool**
- **ASA(FM&C) recognized the need to pursue solutions**

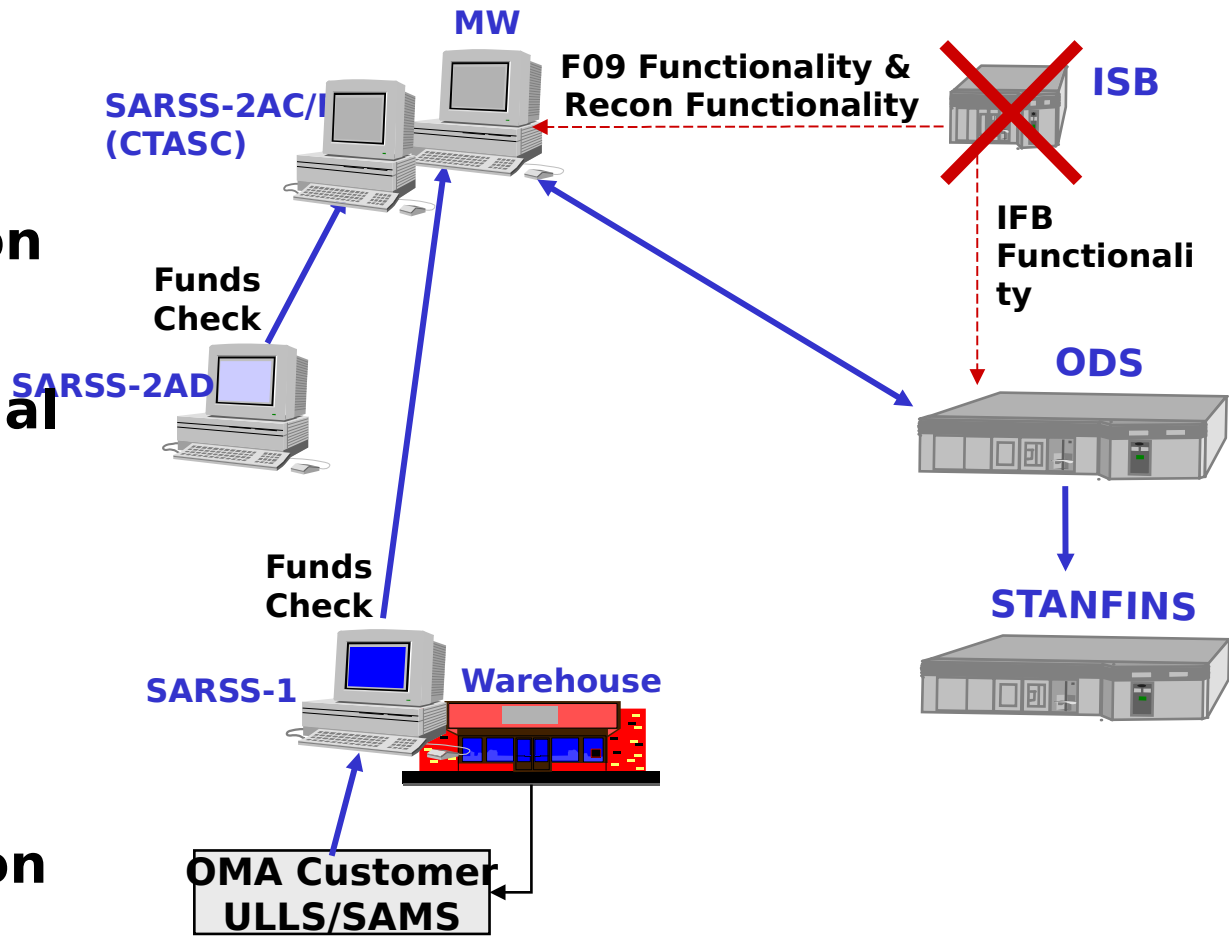
Progress to Date

- 30 Oct 02 – ASA(FM&C) decision to pursue Funds Control
- 13 Mar 03 – SecArmy approved Funds Control as an Army Business Initiative Council (ABIC) initiative
- 1 Jul 03 – ASA(FM&C) provided funding and effort began
- 13 Aug 03 – Business Rules Baselined
- 8-10 Sep 03 – Meeting with MACOM representatives
- 25 Sep 03– Briefed AMC Principal Deputy G-3, Mrs. Sue Baker
- 29 Sep 03– Briefed AMC Assistant to the DCG, Mr. A. David Mills
- 1 Oct 03 – Briefed PM ASA(FM&C), Mr. Ernest Gregory
- 10 Nov 03 – Briefed AMC G-3, MG Stevenson

Concept

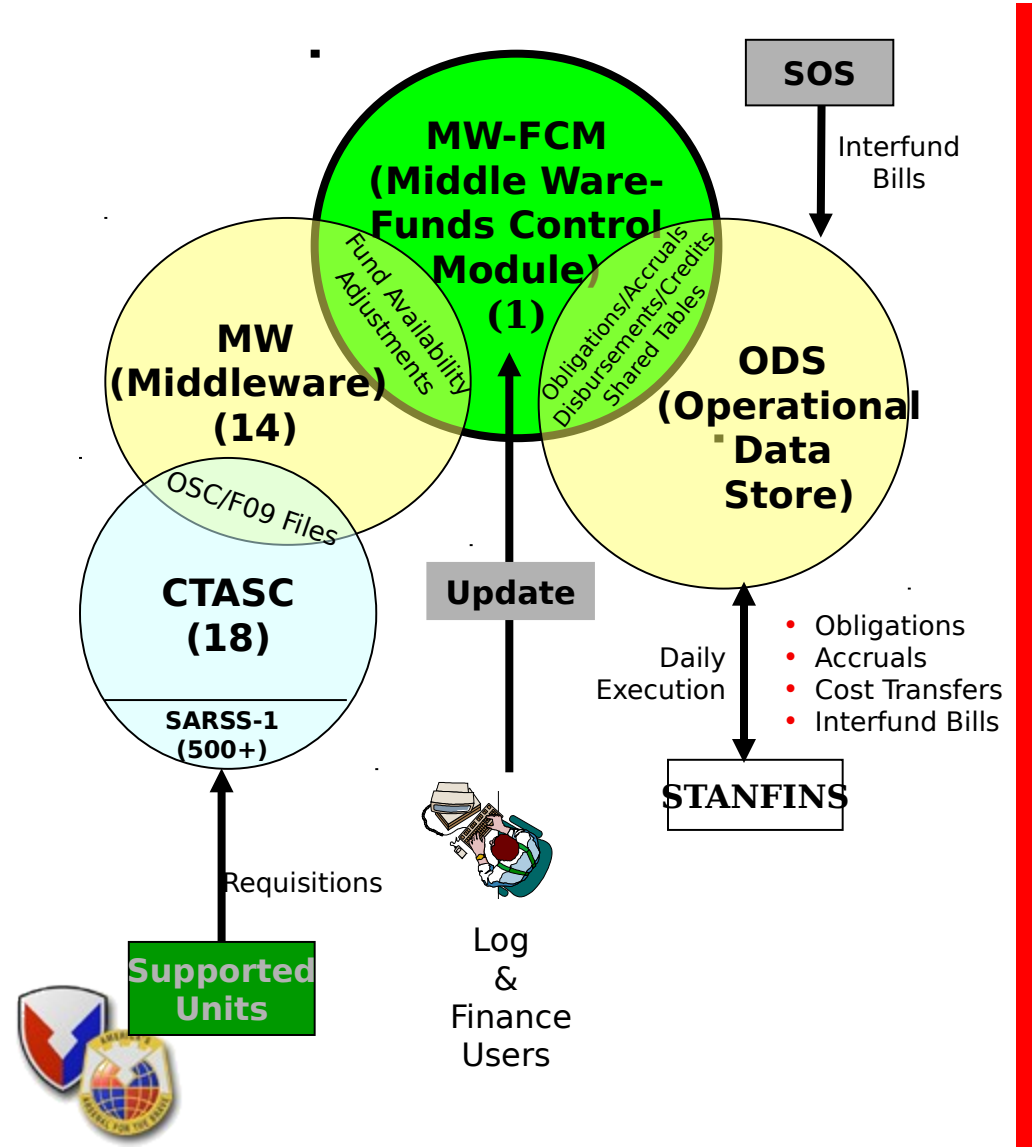
Objectives

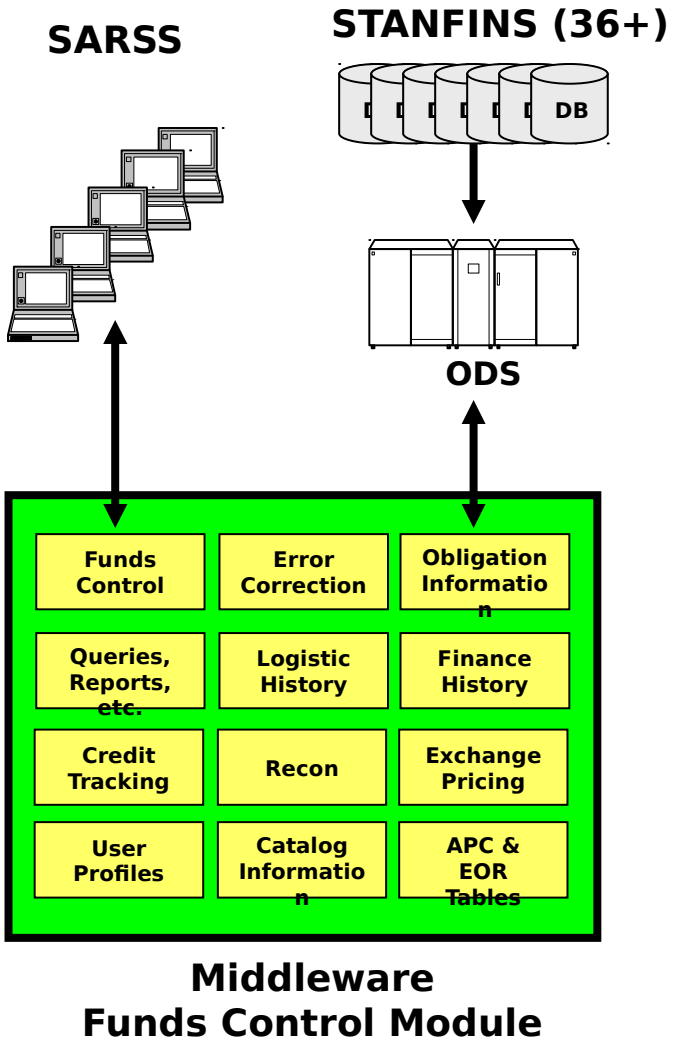
- Eliminate Installation Supply Buffer (ISB)
- Obligate on the initial supply order (AO)
- Establish an integrated Funds Control process
- Simplify supply-finance reconciliation



- ✓ No impact on national level systems
- ✓ Checks funds availability before processing transaction
- ✓ Automated notification to RM when nearing funds target

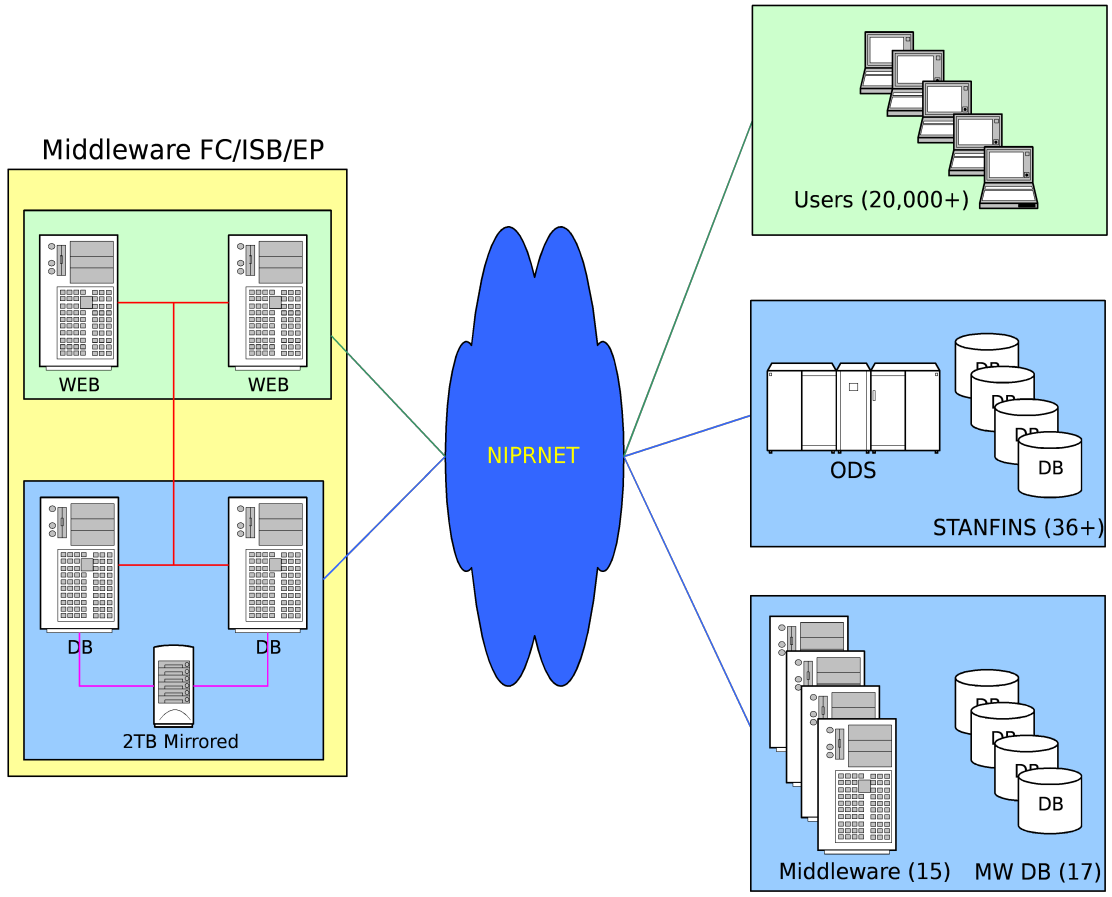
Vision


SOS
Interfund Bills
MW-FCM (Middle Ware-Funds Control Module) (1)
Fund Availability Adjustments
Obligations/Accruals Disbursements/Credits Shared Tables
MW (Middleware) (14)
ODS (Operational Data Store)
OSC/F09 Files
CTASC (18)
SARSS-1 (500+)
Update
Daily Execution
Obligations
Accruals
Cost Transfers
Interfund Bills
STANFINS
Requisitions
Supported Units
Log & Finance Users


SARSS
STANFINS (36+)
DB
ODS
Funds Control
Error Correction
Obligation Information
Queries, Reports, etc.
Logistic History
Finance History
Credit Tracking
Recon
Exchange Pricing
User Profiles
Catalog Information
APC & EOR Tables
Middleware Funds Control Module

IT Architecture

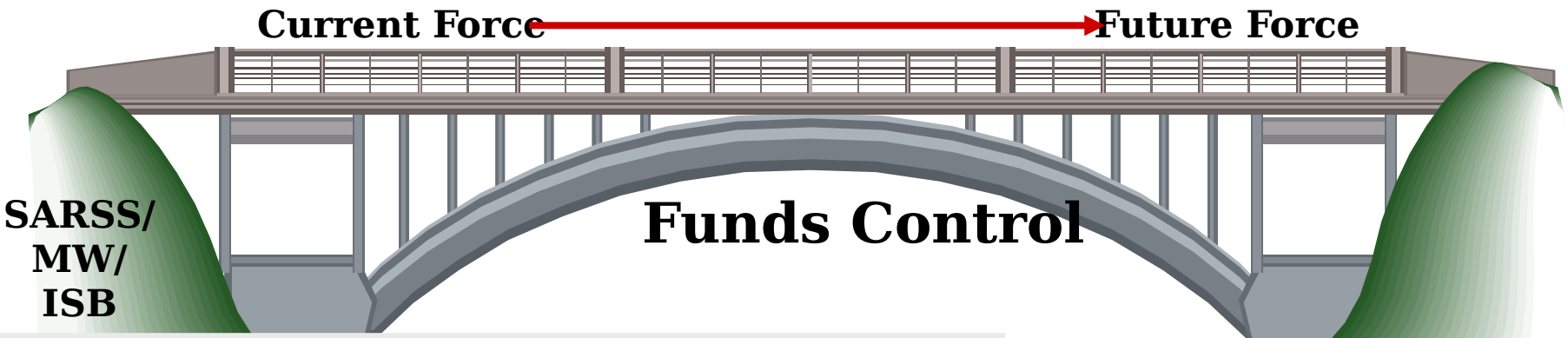
- Web-enabled
- Bridges to Integrated Enterprise
- Uses current technology
- Easily upgraded hardware
- Low risk
- Single view for Log & RM customers



Changes & Benefits

Objective	Today	Tomorrow	Benefits
Eliminate financial requirement for sterile SARSS boxes during deployment	Financial & logistical difficulties during alert, marshal, & RSOI phases	MW-FCM eliminates off-post customers from financial point of view	Reduced soldier workload Reduced coordination requirements Quicker deployment times Faster establishment of in-theater supply support
Eliminates ISB across the Army	36 ISB across AC & AR and SABERS for NG	MW-FCM passes everything to ODS	Savings/cost avoidance of $9M Transactions pass near real-time Simplifies process for off-post customers
Obligates on the initial supply order/request (A0)	Obligates on first positive status for AA & AR, on first transaction for NG	Obligates on first transaction entering SARSS system	Simplifies obligation process Standardizes across Army Suspends transaction if no funds Allows obligation matching in ODS
Establishes a robust customer Funds Control process	SARSS counters at –2A level which is past point of initial request	Check for funds at point of origin at SARSS level (if within SARSS)	Incorporates credits & cancellations Allows Log & RMs to view same data Control funds at multiple levels Error transactions are CFO compliant
Simplifies customer level supply finance	Monthly SARSS to ISB and ISB to STANFINS	Daily reconciliation between	Eliminates two monthly recons Eliminates need for down-time

Bridge to the Future



EASIER TO IMPLEMENT INTEGRATED

- Eliminates financial need for sterile SARSS boxes
- Eliminates 36+ ISB databases
- Sets stage for Integrated Enterprise
- Simplifies obligation process
- Simplifies logistical-financial transaction process
- Standardizes processes across Army
- Provides common view of data for Log and RM
- Eliminates unique MACOM work-arounds
- Provides near real-time information
- Moves current STAMIS closer to CFO compliance

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ENHANCED AUDITABILITY

- Eliminates manual manipulation of data
- Establishes automated method for making corrections
- Provides an audit trail for all transactions
- Simplifies reconciliation process
- Faster, more reliable process
- Sets stage to link Budget and

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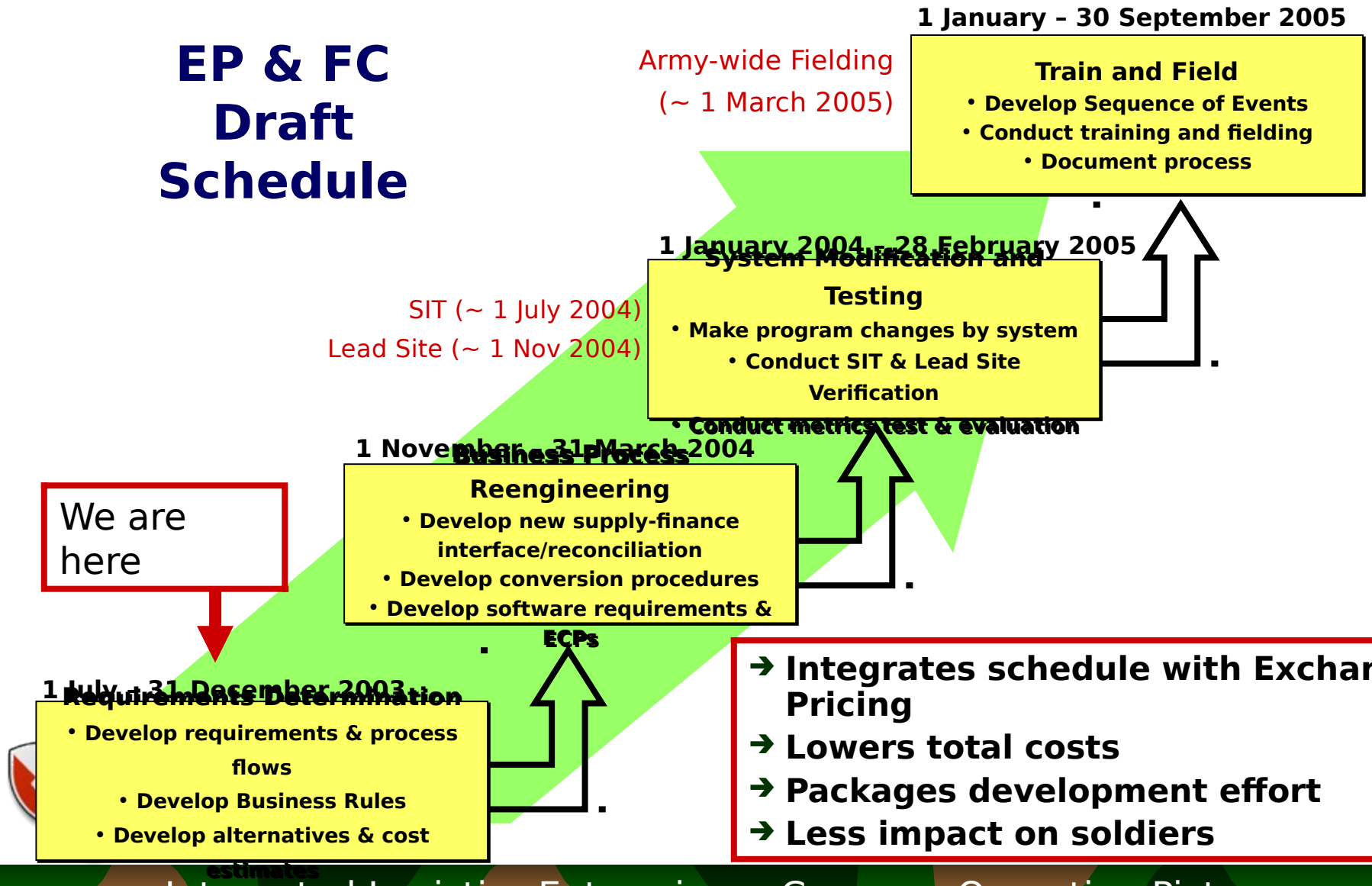
Draft Schedule

EP & FC Draft Schedule


1 January – 30 September 2005
Army-wide Fielding
(~ 1 March 2005)
Train and Field
• Develop Sequence of Events
• Conduct training and fielding
• Document process
1 January 2004 – 28 February 2005
System Modification and Testing
• Make program changes by system
• Conduct SIT & Lead Site Verification
• Conduct metrics test & evaluation
SIT (~ 1 July 2004)
Lead Site (~ 1 Nov 2004)
1 November – 31 March 2004
Business Process Reengineering
• Develop new supply-finance interface/reconciliation
• Develop conversion procedures
• Develop software requirements & ECPs
We are here
1 July – 31 December 2003
Requirements Determination
• Develop requirements & process flows
• Develop Business Rules
• Develop alternatives & cost estimates

- ➔ Integrates schedule with Exchange Pricing
- ➔ Lowers total costs
- ➔ Packages development effort
- ➔ Less impact on soldiers

Bottom line

- **Funds Control initiative is on track**
- **Initiative in sync with Exchange Pricing**